OCA 86-2207 27 June 1986

MEMORANDUM FOR THE RECORD:

SUBJECT: Small Business Innovation Development Act of 1982 Amendment (H.R.4260) - Sequential Referral to HPSCI/Mike O'Neil Request for our Comment

- 1. The above-described bill has been sequentially referred to HPSCI for consideration until August 1, 1986. Mike O'Neil has asked for: (1) our comment on the bill; and (2) whether small businesses have complained about the Agency's lack of a statutory obligation to set aside a certain amount of research funding for small business.
- 2. When first passed in 1982, this small business law required that government agencies set aside a certain amount of their research dollar for small businesses. Because of security considerations, the CIA was specifically exempt from the law. However, this exemption was not permanent; it would have expired in 1988. The current bill, H.R. 4260, makes our exemption permanent. Therefore, we strongly support the bill.
- 3. Since the bill has been sequentially referred to HPSCI, Mike O'Neil wanted to know if the CIA received any complaints from the small business community because of our statutory exemption from the law. In this connection, I called who was familiar with the law and said that he had no knowledge of any such complaints. I asked that he canvass the hands-on contractors to see if they knew of any small business complaints. At the end of the day, called and said that no one on the Procumement Management Staff had knowledge of any small business complaints. Furthermore, he said that a good portion of our research dollar goes to small business already.
- 4. I relayed this information to Mike O'Neil and stressed that we supported the bill because it would make our exemption permanent.

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